

AMENDED IN SENATE MAY 31, 2011

AMENDED IN SENATE APRIL 6, 2011

SENATE BILL

No. 698

Introduced by Senator Lieu

February 18, 2011

An act to amend Section 14200 of the Unemployment Insurance Code, relating to workforce development.

LEGISLATIVE COUNSEL'S DIGEST

SB 698, as amended, Lieu. Workforce development: high-performance boards.

The federal Workforce Investment Act of 1998 provides for workforce investment activities, including activities in which states may participate. Existing law contains various programs for job training and employment investment, including work incentive programs, as specified. Existing law requires the local chief elected officials in a local workforce development area, to form, pursuant to specified guidelines, a local workforce investment board to plan and oversee the workforce investment system, and further requires the Governor to certify one local board for each local area in the state once every 2 years.

This bill would require the Governor to establish, through the California Workforce Investment Board, standards for certification of high-performance local workforce investment boards, in accordance with specified criteria. The bill would also ~~require the Governor to establish the High-Performance Workforce Investment Board Fund and would require the California Workforce Investment Board Governor and the Legislature, in consultation with the Governor California Workforce Investment Board, to allocate reserve~~ specified federal discretionary funds ~~to~~ for high-performance local workforce investment

boards. *This bill would also require the California Workforce Investment Board to establish a policy for the allocation of those funds to those boards.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14200 of the Unemployment Insurance
2 Code is amended to read:
3 14200. (a) The local chief elected officials in a local workforce
4 development area shall form, pursuant to guidelines established
5 by the Governor and the board, a local workforce investment board
6 to plan and oversee the workforce investment system.
7 (b) The Governor shall certify one local board for each local
8 area in the state once every two years, following the requirements
9 of the *federal* Workforce Investment Act of 1998.
10 (c) The Governor shall establish, through the California
11 Workforce Investment Board, standards for certification of
12 high-performance local workforce investment boards. The
13 California Workforce Investment Board shall, in consultation with
14 representatives from local workforce investment boards, initiate
15 a stakeholder process to determine the appropriate measurable
16 metrics and standards for high-performance certification. These
17 standards shall be implemented on or before January 1, ~~2012~~ 2013,
18 and the first certification of high-performance boards shall occur
19 on or before ~~January~~ July 1, 2013. Certification and recertification
20 of each high-performance *local workforce investment* board shall
21 occur thereafter at least once every two years. In order to meet the
22 standards for certification, a high-performance *local workforce*
23 *investment* board shall do all of the following:
24 (1) Consistently meet or exceed negotiated performance goals
25 for all of the measures in each of the three federal Workforce
26 Investment Act *of 1998* customer groups, which consist of adults,
27 dislocated workers, and youth.
28 (2) Consistently meet the statutory requirements of this division.
29 (3) Develop and implement local policies and a local strategic
30 plan that meets all of the following requirements:
31 (A) Is separate and apart from the local plan required under the
32 federal Workforce Investment Act *of 1998*.

1 (B) Is consistent with the California Workforce Investment
2 Board strategic plan.

3 (C) Describes the actions that the board shall take to implement
4 local policies in furtherance of its goals.

5 (D) Serves as a written account of intended future courses of
6 action aimed at achieving the specific goals of the local and state
7 board within a specific timeframe.

8 (E) Explains what needs to be done, by whom, and when each
9 action is required to occur in order to meet those goals.

10 (4) Demonstrate that the local planning process involves key
11 stakeholders, including the major employers and industry groups
12 in the relevant regional economy and organized labor.

13 (5) Demonstrate that the local planning process takes into
14 account the entire workforce training pipeline for the relevant
15 regional economy, including partners in K-12 education, career
16 technical education, the community college system, other
17 postsecondary institutions, and other local workforce investment
18 areas operating in relevant regional economy.

19 (6) Demonstrate that the local planning process and plan are
20 data driven, and that policy decisions at the local level are evidence
21 based. Each high-performance *local workforce investment* board
22 shall use labor market data to develop and implement the local
23 plan, taking care to steer resources into programs and services that
24 are relevant to the needs of each workforce investment area's
25 relevant regional labor market and high-wage industry sectors.
26 Local workforce investment areas shall demonstrate an
27 evidence-based approach to policymaking by establishing
28 performance benchmarks and targets to measure progress toward
29 local goals and objectives.

30 (7) Demonstrate investment in workforce initiatives, and,
31 specifically, training programs that promote skills development
32 and career ladders relevant to the needs of each workforce
33 investment area's regional labor market and high-wage industry
34 sectors.

35 (8) Establish a youth strategy aligned with the needs of each
36 workforce investment area's regional labor market and high-wage
37 industry sectors.

38 (9) Establish a business service plan that integrates local
39 business involvement with workforce initiatives. This plan at a
40 minimum shall include all of the following:

1 (A) Efforts to partner with businesses to identify the workforce
2 training and educational barriers to attract jobs in the relevant
3 regional economy, existing skill gaps reducing the competitiveness
4 of local businesses in the relevant regional economies, and potential
5 emerging industries that would likely contribute to job growth in
6 the relevant regional economy if investments were made for
7 training and educational programs.

8 (B) An electronic system for both businesses and job seekers
9 to communicate about job opportunities.

10 (C) A subcommittee of the local workforce investment board
11 that further develops and makes recommendations for the business
12 service plan for each local workforce investment board in an effort
13 to increase employer involvement in the activities of the local
14 workforce investment board. The subcommittee members should
15 be comprised of business representatives on the local workforce
16 investment board who represent both the leading industries and
17 employers in the relevant regional economy and potential emerging
18 sectors that have significant potential to contribute to job growth
19 in the relevant regional economy if investments were made for
20 training and educational programs.

21 ~~(d) The Governor shall establish the High-Performance~~
22 ~~Workforce Investment Board Fund for the purpose of subdivision~~
23 ~~(e).~~

24 ~~(e) The California Workforce Investment Board, in consultation~~
25 ~~with the Governor, shall annually reserve a portion of the federal~~
26 ~~Workforce Investment Act's 15-percent discretionary fund for the~~
27 ~~High-Performance Workforce Investment Board Fund to be~~
28 ~~allocated to high-performance local workforce investment boards~~
29 ~~for the purposes of subdivision (e).~~

30 *(d) Beginning in the 2013–14 fiscal year, the Governor and the*
31 *Legislature, as part of the annual budget process, in consultation*
32 *with the California Workforce Investment Board, shall annually*
33 *reserve a portion of the 15-percent discretionary fund made*
34 *available pursuant to the federal Workforce Investment Act of*
35 *1998 for the purpose of providing performance incentives to*
36 *high-performance local workforce investment boards. The*
37 *remaining discretionary funds shall continue to be available for*
38 *other discretionary purposes as provided for in the federal*
39 *Workforce Investment Act of 1998.*

40 ~~(f)~~

1 (e) Only a workforce investment board that is certified as a
2 high-performance *local workforce investment* board by the
3 California Workforce Investment Board shall be eligible to receive
4 any money from the ~~High-Performance Workforce Investment~~
5 ~~Board Fund~~ or any portion of the state's 15-percent discretionary
6 ~~fund~~. *incentive money reserved for high-performance local*
7 *workforce investment boards, as described in subdivision (d). A*
8 *board that is not certified as a high-performance local workforce*
9 *investment board shall not receive any portion of the money*
10 *reserved for high-performance local workforce investment boards,*
11 *as described in subdivision (d) or any portion of the state's*
12 *15-percent discretionary fund.*

13 ~~(g)~~
14 (f) The California Workforce Investment Board shall establish
15 a policy for the allocation of ~~High-Performance Workforce~~
16 ~~Investment Board Fund~~ moneys among high-performance *incentive*
17 *moneys to high-performance local workforce investment boards.*

18 ~~(h)~~
19 (g) The California Workforce Investment Board may consider
20 the utilization of incentive grants pursuant to the federal Workforce
21 Investment Act of 1998 (29 U.S.C. Sec. 2864(a)(2)(B)(iii)), for
22 the purposes of this section.

23 (h) *There shall not be a requirement to set aside federal*
24 *Workforce Investment Act of 1998 funds for the purposes of*
25 *subdivisions (d), (e), (f), or (g) in years when the federal*
26 *government significantly reduces the share of federal Workforce*
27 *Investment Act of 1998 funds appropriated to the state for statewide*
28 *discretionary purposes below the federal statutory amount of 15*
29 *percent.*